

Exhibit 19

*State of California ex. rel. Ven-A-Care of the Florida Keys, Inc. v.
Abbott Laboratories, Inc., et al.*

Exhibit to the Declaration of Rita Hanscom in Support of
Plaintiffs' Opposition to Dey, Inc. and Dey, L.P.'s Motion for Partial Summary Judgment

CAUSE NO. GV002327

THE STATE OF TEXAS)	IN THE DISTRICT COURT
ex rel.)	
VEN-A-CARE OF THE)	
FLORIDA KEYS, INC.)	
)	
Plaintiffs,)	
)	
VS.)	TRAVIS COUNTY, TEXAS
)	
DEY, INC.; ROXANE)	
LABORATORIES, INC. and)	
WARRICK PHARMACEUTICALS)	
CORPORATION,)	
)	
Defendants.)	53rd JUDICIAL DISTRICT

 ORAL AND VIDEOTAPED DEPOSITION OF
 CHARLES A. RICE
 October 30, 2001

ORAL DEPOSITION OF CHARLES A. RICE, produced as a witness at the instance of the Plaintiffs and duly sworn, was taken in the above-styled and numbered cause on the 30th day of October 2001, from 9:06 a.m. to 5:02 p.m., before Randall N. Finch, CSR in and for the State of Texas, reported by machine shorthand, at the offices of Coudert Brothers, 600 Beach Street, Third Floor, San Francisco, California 94109, pursuant to Notice, the Texas Rules of Civil Procedure and the provisions as previously set forth.

1 correct?

2 A. I believe it is, yes.

3 Q. Okay. As chief executive officer of Dey
4 Laboratories, is there any area of the company that you
5 are not ultimately responsible for?

6 A. Technically, no.

7 Q. Now, you're aware that this case involves
8 price representations to Medicaid authorities, correct?

9 A. I'm aware of that, yes, sir.

10 Q. If those price representations were wrong, is
11 it Mr. Johnson's responsibility to make sure they were
12 correct?

1:27P 13 A. In my view, no.

14 Q. Is it your responsibility?

15 A. Inevitably my responsibility is to the entire
16 company, so in part, yes. But there are other people
17 also responsible.

18 Q. Now, you've been aware for more than two years
19 now that an issue exists regarding Dey Laboratories'
20 reports of prices to government authorities, haven't
21 you?

22 A. I have been aware that there have been some
23 issues, yes.

24 Q. How long have you been aware of that?

25 A. Probably since about 1997.

1 Q. '97.

2 A. Mm-hmm.

3 Q. And how did you become aware of that?

4 A. There were communications between our
5 attorney, ourselves and the Department of Justice
6 regarding a potential action, which we're still waiting
7 to hear about.

8 Q. Since 1997 and becoming aware that there was
9 an issue regarding the reports of Dey Laboratories'
10 prices to government reimbursement authorities, have
11 you taken any direct responsibility for that -- the
12 performance of that function on your -- by your
13 company?

1:28P

14 A. I have not taken any direct responsibilities,
15 no.

16 Q. Have you taken any --

17 A. Well, clarification: that did not already
18 exist.

19 Q. That did not already exist?

20 A. Yes.

21 Q. Have you increased your scrutiny of that area
22 as the chief executive officer?

23 A. I have not increased my scrutiny of that area,
24 no.

25 Q. Have you done anything whatsoever to make sure

1 that Dey Laboratories reports accurate prices to
2 government reimbursement authorities since becoming
3 aware of the investigation?

4 MR. HUDSPETH: Objection; form.

5 THE WITNESS: Yes, I have.

6 Q. (By Mr. Breen) What?

7 A. I'm afraid that would be subject to privilege
8 with counsel.

9 MR. BREEN: I would respectfully
10 submit, Mr. Hudspeth, that if -- if this witness did
11 anything since becoming aware of these investigations
12 that bears upon his performance of chief executive
13 officer duties to ensure that his company is reporting
14 truthful prices, I don't see how that's privileged and
15 I would ask that the question be responded to.

16 MR. HUDSPETH: Well, I think he better
17 tell me what he has in mind. Maybe we ought to talk
18 about that separately. Why don't we take a break --

19 MR. BREEN: Let's take a break.

20 MR. HUDSPETH: -- and hear what the
21 answer is.

1:29P 22 MR. BREEN: That's a good idea.

23 VIDEOGRAPHER: We're off the record at

24 1:28 p.m.

1:30P 25 (Discussion off the record)

1 VIDEOGRAPHER: We're back on the record
2 at 1:35 p.m.

3 MR. HUDSPETH: Mr. Rice will testify
4 about those matters that did not involve
5 attorney/client communications.

6 Q. (By Mr. Breen) What, if anything, did you do
7 as CEO of Dey Pharmaceutical -- or Dey Laboratories --
8 or Dey, Inc. I think we are referring to the company in
9 this deposition -- since becoming aware of the
10 government investigations to make sure that Dey
11 reported proper prices to government reimbursement
12 authorities?

1:36P

13 A. On a number of different fronts I took action,
14 which includes speaking to various members of my direct
15 staff, including Mr. Marrs -- Ms. Marrs and Mr. Mozak,
16 providing them with information regarding the
17 government's -- in this case Department of Justice
18 assertions, making sure that they understood the
19 gravity of the situation, the importance of making sure
20 that the prices we were reporting were, in fact, the
21 prices that we have on our records.

22 We volunteered to speak to anyone and
23 everyone who would listen to us on the legislative
24 front. I made several personal visits to Capitol Hill
25 and spoke with numerous legislators, congressmen,

1 congresspersons, as well as senators and their aides
2 and their staff.

3 We've talked with a number of
4 professional organizations regarding the subject as
5 well. We've done a number of different things as a
6 result of this -- the initial request for information
7 under subpoena we received in 1997.

1:37P

8 Q. (By Mr. Breen) So other than speaking to your
9 staff and speaking to Congress and their aides and
10 speaking with professional organizations, did Dey
11 actually do anything about its prices reports?

12 A. In our price reporting we do include now a
13 statement regarding the nature of both Average
14 Wholesale Price and also WAC, which we believe was
15 already understood. We felt that what we were printing
16 on our price notifications was already commonly known
17 throughout the industry and also to regulators. That
18 change was made at the recommendation of counsel.

19 Q. Is that it?

20 A. To the extent I can comment, yes.

21 Q. Change your price representations?

22 A. To my knowledge, there were no changes in
23 price representations.

24 Q. Did you change your reports of Wholesale
25 Acquisition Cost?